

# Status Report on the Implementation of Harmonised Matching Processes

CESAME Group Meeting  
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## The ESSF / ECSDA initiative of matching harmonisation

- The harmonised matching standards were first presented to the CESAME meeting of 23 October 2006
- They became the standard for the matching and lifecycle processes in T2S
- CSDs progressed with the implementation of the standards in their own systems
- The current status of implementation is summarised in the next slides

## Salient points

- The status-report includes the eleven largest CSDs in Europe
- There is a very high degree of compliance with standards that were easy to implement (often 100%)
- The hold/release mechanism (Standard 9) is a big and crucial change for many systems
  - One part of it (the status transition from hold to release) has nevertheless been implemented in more than 70% of the markets
  - The other part (the status transition from released to on-hold) still has a compliance of less than 50%
  - This is partly attributable to the fact that until recently there was no ISO standard available for this part of the process



## The results in detail

|   | BE   | CH   | DE   | EB   | ES   | FR   | IT   | LU   | NL   | SE   | UK    | %      |
|---|------|------|------|------|------|------|------|------|------|------|-------|--------|
| <b>Standard</b>   |      |      |      |      |      |      |      |      |      |      |       |        |
| (numbers relate to the ESSF/ECSDA proposal of October 2006) |      |      |      |      |      |      |      |      |      |      |       |        |
| 0 Scope: FoP matching                                       | N    | Y    | N    | Y    | Y    | Y    | Y    | Y    | N    | Y    | Y     | 72.73  |
| 1 Matching fields   | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y     | 100.00 |
| 2 One instruction only possible                             | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y     | 100.00 |
| 3 Real-time   | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y     | 100.00 |
| 5 Unmatched retention > 20 days                             | Y    | Y    | Y    | Y    | N    | N    | N    | Y    | N    | Y    | Y     | 63.64  |
| 6 No autocancellation of matched                            | N    | N    | Y    | Y    | Y    | Y    | N    | Y    | N    | N    | Y     | 54.55  |
| 7 Locked-in at start of stlmt only?                         | Y    | Y    | Y    | Y    | Y    | Y    | N    | Y    | N    | Y    | Y     | 81.82  |
| 8 Matching separate from provisioning                       | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y     | 100.00 |
| 9a Status Transition H->R possible?                         | Y    | Y    | Y    | N    | Y    | Y    | N    | N    | Y    | Y    | Y     | 72.73  |
| 9b Status Transition R->H possible?                         | Y    | Y    | Y    | N    | Y    | N    | N    | N    | N    | N    | Y     | 45.45  |
| 9c Status transition R->H after fail possible?              | Y    | Y    | Y    | N    | N    | N    | N    | N    | N    | N    | Y     | 36.36  |
| 10 Acceptance and matching of instructions STP in the CSD   | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y     | 100.00 |
| 11 Amendment of non-matching fields                         | Y    | Y    | Y    | Y    | Y    | N    | Y    | Y    | N    | Y    | Y     | 81.82  |
| 12 Matching fields highlighted in GUI                       | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y     | 100.00 |
| 13 H/R fields highlighte in GUI                             | Y    | Y    | Y    | Y    | Y    | n.a. | N    | n.a. | N    | Y    | Y     | 63.64  |
| 14a actual status query                                     | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y     | 100.00 |
| 14b previous status query                                   | N    | Y    | N    | N    | Y    | N    | n.a. | Y    | N    | Y    | Y     | 45.45  |
| 15 Query flexibility  | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y     | 100.00 |
| 16 Matching data in allegements                             | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y    | Y     | 100.00 |
| <b>%</b>  | 84.2 | 94.7 | 89.5 | 78.9 | 89.5 | 68.4 | 57.9 | 78.9 | 52.6 | 84.2 | 100.0 |        |
| 17 Matching tolerance                                       |      |      |      |      |      |      |      |      |      |      |       |        |
| Local currency  | EUR  | CHF  | EUR  | USD  | EUR  | EUR  | EUR  | USD  | USD  | SEK  | GBP   |        |
| Tolerance local currency                                    | 25   | 40   | 25   | 25   | 10   | 25/2 | 5    | 25   | 25   | 50   | 10    |        |
| Tolarence in EUR equivalent                                 | 25   | 25   | 25   | 16   | 10   | 25/2 | 5    | 16   | 16   | 5    | 15    |        |

## The way forward

- After 18 months of practical experience it is time for an assessment of the completeness and comprehensibility of the standards
- Adding new standards or re-wording of existing standards may be feasible
  - E.g. adding a new standard for cancellation of matched instructions
- The substance of the existing standards will not change
- New status report based on revised standards can be expected by the end of the year